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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Senior Review Panel

NIC 07073-84
19 December 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: 25X1
Member, Senior Review Panel

SUBJECT: Paper entitled "Economic Forces for Change in the Third World" 25X1
15 November 1984

1. Last week you handed me a copy of the subject paper. I think it is excellent in its analysis of trends and its identification of the fact that many Third World countries are having spasms of pragmatism in recognizing that wealth creation through private enterprise is the best proven method of development. I would urge that the paper be declassified--which it could be by modest sanitizing--and given wide distribution. Many people have made its basic point; the paper's special value lies in its recitation of evidence.

2. You will recall that I had a long-term association with the International Chamber of Commerce, the only business organization with membership from private enterprise in Third World countries. The ICC has consistently pushed the cause of private enterprise in developing countries, and one of its spokesmen, after he left AID, was Dan Parker. If there is a continuing effort to give attention to the theme of this paper, it would be useful to consult Parker. He has always emphasized practical education and management skills as major factors in successful development.

3. There is a lot of evidence of changing LDC government attitudes to be gleaned from the procedures and activities of UNCTAD, which Third World leaders considered their chosen instrument to bring about the New International Economic Order. The gradual realization that there is little identity between the real world and the fantasy world of UNCTAD has caused some

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creeping pragmatism in LDC ranks. A review of the record could yield some useful clues, again if the matter is to continue to be pursued.

4. The UN Charter of Rights and Duties of States, itself a piece of unreality, spawned the UN Commission on Multinational Corporations, which since 1975 has been trying to negotiate a code of conduct for MNCs. The process has been an important educational experience for Third World delegates, and they have gradually shifted from an attitude of wanting to hogtie all MNCs and wring their assets out of them to a position of recognizing that the MNC is an engine of development and wondering how it could be used to LDC advantage. Seymour Rubin, who runs the American Society of International Law, has been our chief delegate to that commission since its 1975 inception, and would have some very useful comment on the effect of the process on the minds of Third World representatives. I would urge that he also be consulted about the paper and the subject in general.

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cc: [redacted] AG/NIC [redacted] 25X1

DCI/SRP [redacted] 25X1
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1 - [redacted] Chrono 25X1
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